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SUBJECT: SAARLAND SPD LEADER CRITICIZES CHANCELLOR SCHROEDER

[11.](#) (SBU) Summary: During his April 30 trip to Saarland, the Consul General met 34-year-old Saarland opposition leader Heiko Maas in Saarbruecken. The Consul General and Maas, who is the state SPD chairman and Landtag caucus leader, spoke about economic issues, including Agenda 2010 and the upcoming Saarland state elections. Later, four members of parliament joined for a discussion on Iraq. Maas was critical of Schroeder's approach on social reform and faulted the chancellor for "breaking his promise" on Iraq. Maas has gained visibility in recent months by taking an active role in the discussion of the Agenda 2010 reform plan. He will challenge Saarland Minister-President Peter Mueller (CDU) in the fall 2004 state elections. End summary.

Maas: Saarland Successfully Achieves Structural Change

[12.](#) (U) Heiko Maas, Saarland's SPD leader, is one of the "young Turks" in the SPD national presidium. In an April 30 meeting with the Consul General in Saarbruecken, he described the economic structural reforms in Saarland as successful. When questioned by the Consul General about economic prospects in the state, he said that many of the infrastructure projects that are now paying off, had their origins in the previous SPD administration. Maas mentioned the Ford plant in Saarlouis, the cornerstone for a growing automotive sector in the Saarland, as a prime example. According to Maas, the automotive sector employs about 40,000 people in Saarland. Nobody in the SPD, said Maas, disputes the necessity of phasing out the coal industry. He mentioned renewable energy, nanotechnology and steel as future growth industries in Saarland.

Critical of Agenda 2010 and Iraq policy

[13.](#) (SBU) Saarland has a majority CDU government, and Maas said if the state elections were held today, the SPD would lose to popular Minister-President Peter Mueller. It is not enough for the SPD to simply press for reform of the social welfare system. Maas cited the U.S.'s successful economic reform measures. The Bush administration's policies gave money back to the consumers and created investment. When the Consul General pressed for more details, Maas suggested lower taxes for middle and low incomes, while delaying tax reductions for the wealthy. Maas cautioned that Schroeder is skeptical of this. Measures to increase investment are necessary, but conflict with the Maastricht criteria, Maas admitted. Maas said that the money saved because of the Koch-Steinbrueck proposal (which advocates cutting public subsidies by ten percent) should not only be used for debt reduction, but could be redirected in part to promote growth industries. Referring to the Agenda 2010 social reform plan, Maas declared early retirement (and thus earlier pensions) as the biggest problem in the social welfare system. People rarely stop working after they "retire." To reduce unemployment benefits across the board would be a mistake. Maas would prefer cuts that take the age of the recipient into consideration.

[14.](#) (SBU) The Consul General closed the discussion by asking for Maas' thoughts on Chancellor Schroeder's political performance thus far. In a critique of Chancellor Schroeder, Maas said it was necessary for the government to keep its promises. Maas, who abstained on the Agenda 2010 vote in the SPD presidium, said he had experienced Schroeder's broken promises all too often. He mentioned the promise not to raise taxes as an example. On Iraq, Maas said: "Schroeder's position was not consistent. To promise the U.S. administration support on Iraq and later change that line without notification was a mistake." Maas and the other SPD parliamentarians emphasized to us that it was important to distinguish the political realities of German politics from personal relationships that made up the U.S.-German partnership. Maas agreed with Consul General's assessment that U.S.-German relations are still solid and broad. All politicians were keen to "built a common bridge" between Germans and Americans.

Comment

[15.](#) (SBU) Since the SPD lost power in Saarland in 1999, Heiko

Maas has been trying to overcome the legacy of his predecessor Oskar Lafontaine and give the Saarland SPD a new image. Maas, who is on the left wing of his party but a pragmatic Social Democrat, has consolidated his power base and is now the undisputed leader of the Saarland SPD. He will challenge Minister-President Peter Mueller (CDU) in the 2004 state elections. Because of his reaction to the Agenda 2010 reform plan, Maas has gained national recognition. He is one of the most outspoken opponents of the plan, but tries to mediate between supporters and critics. His reaction was very reserved when we mentioned Lafontaine and Ottmar Schreiner, a member of the left wing in the Bundestag caucus. To win the 2004 elections, Maas will have to energize his party without alienating the many Lafontaine supporters. He intends to use the former Minister-President in the election campaign to help reach out to these Lafontainistas. In return, Lafontaine has promised not to run for public office again. When assessing the viability of this electoral strategy, one must bear in mind Lafontaine's reliability (or lack thereof.) End comment.

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